

CA1
Y216
- 1987
B140

Government
Publications

Federal government's role
in education ...

ire

CA1
YL16
-1987
B140

BP-140E

~~Government
Publication~~

THE FEDERAL GOVERNMENT'S ROLE
IN EDUCATION, ESPECIALLY
THE POST-SECONDARY SECTOR

Marc Leman

Political and Social Affairs
Division
Research Branch
Ottawa

15 February 1986



LIBRARY OF PARLIAMENT

CAT

YL 16

- 1987

73140

THE FEDERAL GOVERNMENT'S ROLE
IN EDUCATION, ESPECIALLY
THE POST-SECONDARY SECTOR

Marc Leman

Political and Social Affairs
Division
Research Branch
Ottawa

15 February 1986


© Minister of Supply and Services Canada 1987

Cat. No. YM32-2/140E

ISBN 0-660-12433-5

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
LIMITS OF FEDERAL JURISDICTION OVER EDUCATION	2
A. The Centralist Position	5
1. Federal Power to Tax and Spend	5
2. National Interest and Common Good	6
3. Jurisdiction Over Culture	8
B. The Regionalist Position	9
FEDERAL ACTIVITIES AND INITIATIVES IN EDUCATION	11
A. Indirect Intervention in Academic Education	11
1. Direct Aid to Universities	11
2. Student Assistance	18
3. Official Languages in Education	21
B. Financial Aid for Vocational and Technical Training and Research	24
1. Vocational and Technical Training	24
2. Research	28
C. Federal Presence and Activities in the Cultural Field	32
BIBLIOGRAPHY	36



Digitized by the Internet Archive
in 2023 with funding from
University of Toronto

<https://archive.org/details/39262609080271>



LIBRARY OF PARLIAMENT
BIBLIOTHÈQUE DU PARLEMENT

THE FEDERAL GOVERNMENT'S ROLE IN EDUCATION,
ESPECIALLY THE POST-SECONDARY SECTOR

INTRODUCTION

It is a mark of the maturity and the state of advancement of Canada that it has long been taken for granted that an educated society is a richer society - socially, economically and culturally. And it is a measure of the state of development of our nation that we have given expression to this belief, this ethos, by making almost universally available - to all who want and can benefit from them - diverse forms and programs of post-secondary education and training.

- A.W. Johnson, Giving Greater Point and Purpose to the Federal Financing of Post-Secondary Education and Research in Canada, Secretary of State Department, Ottawa, 1985, p. 1.

Overriding importance is attached to education by Canada's provincial governments, which are responsible for it: they allocate to it an average of one-fifth to one-quarter of their budgets. For the 1984-85 fiscal year, provincial expenditures on all levels of education were estimated at over twenty billion dollars, a third of which went to post-secondary education and vocational training.

Yet provincial jurisdiction over education cannot be considered exclusive or absolute, because the federal government has also been given certain educational responsibilities, such as those prescribed in section 91 of the Constitution Act, 1867, which provides for the education of groups of citizens such as Indians, Inuit, members of the armed forces and their families, federal public servants and inmates of federal correctional institutions. Moreover, in today's society we cannot afford

to limit our view of education to the instruction of young people in the classroom. A host of other activities, such as radio, educational television, libraries, museums and other institutions, contribute in varying degrees to educating people. Vocational and technical training is also an obviously educational activity. Since the turn of the century, industrialization and economic crises have prompted the federal government to contribute money to the provinces for education so as to alleviate the economic and social pressures on the Canadian education system and maintain regional balance. The federal government is also a heavily involved contributor to cultural activity.

This paper studies the nature of federal activities and initiatives in the field of education. While the main focus is the post-secondary level, attention is also given to the program of support for the official languages at the elementary and secondary levels. We shall also study federal support programs for vocational and technical training and research, as well as federal involvement in the cultural field. We begin by defining the limits of federal jurisdiction over education.

LIMITS OF FEDERAL JURISDICTION OVER EDUCATION

Before addressing the question of legislative jurisdiction over education, it is important to compare what was implied by the term "education" at the time when the constitutional division was made and what the term implies now. At the time of Confederation, education was conceived of in quite narrow terms: it meant teaching, strictly academic education. No doubt this was an accurate concept at a time when society was primarily concerned with its material survival and when groups of people and social institutions were confined in rigid compartments. Each unit had its own role to play, and the embryonic teaching system established at the time would naturally be viewed as the sole means of promoting cultural and intellectual growth, while other institutions pursued equally vital but independent objectives.

A number of facts connected with the Constitution suggest that this might be how education was conceived. The actual wording of the Constitution lends itself to such an interpretation. Section 93 of the Constitution Act, 1867, which in its introductory paragraph confers exclusive legislative jurisdiction over education on the provinces, also contains specific provisions restricting the provinces' powers as regards denominational separate schools. These may be summarized as follows:

1. Nothing in provincial legislation pertaining to education shall prejudice the rights and privileges relating to denominational schools enjoyed by a category of persons by virtue of statutes in effect in the province at the time of Confederation;
2. The authority, privileges and responsibilities conferred by statute on Roman Catholic separate schools and school trustees in Ontario in 1867 shall extend to Protestant and Roman Catholic separate schools in Quebec.
3. If in any province a separate or dissenting school system exists under statute at the time of Confederation or is later established by the province's legislature, an appeal may be made to the Governor General in Council against any action or decision by a provincial authority affecting a right or privilege of the Protestant or Catholic minority.
4. If a province fails to comply with the decision of the Governor General in Council, the federal Parliament may enact legislation to remedy this.⁽¹⁾

These specific provisions qualify the meaning and application of the main paragraph and authorize us to presume that the only area contemplated is the academic education system. Furthermore, all the constitutional disputes arising out of section 93 since 1867 have been mainly concerned with the interpretation of its subsections, and Canadian constitutional case law regarding education has been wholly confided to the

(1) Section 93 guarantees collective rights, which may be invoked by groups or members of groups. This is one of the few examples of collective rights in our Constitution. Moreover, section 29 of the Canadian Charter of Rights and Freedoms stipulates that the Charter does not prejudice the rights and privileges guaranteed under the Constitution of Canada as regards separate and other denominational schools.

problem of denominational separate schools and minority education rights. Thus the constant that emerges from the history of educational case law is that this jurisdiction has been generally perceived as corresponding to the provinces' power to establish and regulate their own educational institutions, as regards general policies and administrative and pedagogical decisions, without interference by the Parliament of Canada.

Notwithstanding this provincial jurisdiction over education, the federal government has been recognized from the outset as responsible for the education of certain groups that fall within the purview of Parliament, namely members of the Armed Forces and their families, the Public Service, Indians, Inuit and inmates in federal correctional institutions.(1)

The modern concept of education goes beyond instruction and the transmission of knowledge by means of strictly academic institutions. The New Encyclopaedia Britannica defines education as:

the transmission of the values and accumulated knowledge of a society. In this sense, it is equivalent to... socialization or enculturation.(2)

Education is the whole process by which a person is integrated into society and in the process adopts all society's values. This makes it clear that school can no longer be considered the sole instrument of education, and by the same token, simply transmitting intellectual knowledge no longer meets all the objectives toward which education ought to strive. School must now compete with many media such as radio, television, print, film and theatre. In contrast to the situation in 1867, strictly academic education today interacts with other social institutions and constitutes only one facet of the highly complex intangible we call education in the fullest sense.

This expansion of education necessarily means that the constitutional division in this area can no longer be considered absolute, to say the least. In terms of jurisdiction defined explicitly either in the Constitution Act or by judicial interpretation, section 93 is not the only

(1) The Constitution Act, 1867 (BNA Act), subsections 91(7), (8), (24) and (28).

(2) Macropaedia, New Encyclopaedia Britannica, 15th ed., Chicago 1984, 18, 11.

stricture that applies directly to the immense field of activity we have just mentioned. Broadcasting, for example, has been placed by the Privy Council under the sole jurisdiction of the federal Parliament, even though its educational role is widely recognized. Jurisdiction has been given implicitly for certain areas, most notably culture, which for the most part comes under subsection 92(13) (property and civil rights in the province) or subsection 92(16) (generally all matters of a merely local or private nature in the province) but may also be covered by the introductory paragraph to section 91.(1) Consequently, it would not be wrong to say that in practice, this jurisdiction is shared between the provinces on the one hand and the federal Parliament on the other.

This situation has given rise to a lengthy debate between supporters of the centralist position and supporters of the regionalist position.

A. The Centralist Position

The centralist theory, which favours increased involvement in education by the federal government, is most prominently stated in the conclusions of various royal commissions of inquiry conducted under the aegis of the federal government, and is supported by some Canadian authorities on constitutional law. Its main arguments may be reduced to three points.

1. Federal Power to Tax and Spend

This first argument rests on the fact that the central government has greater financial capabilities than the provinces because of its greater taxation power. Moreover, under the Constitution, the federal Parliament has unlimited spending power, which is not enjoyed by the provinces. Because requirements in the field of higher education are enormous and, in most cases, cannot be met by the provinces alone, the

(1) This reads as follows: "It shall be lawful for the Queen, by and with the Advice and Consent of the Senate and House of Commons, to make laws for the Peace, Order, and good Government of Canada, in relation to all Matters not coming within the Classes of Subjects by this Act assigned exclusively to the Legislatures of the Provinces." Thus in matters of national interest, the federal government may legislate in any sector that does not come exclusively under provincial jurisdiction.

federal government has a definite responsibility that it must discharge if it is not to sacrifice the very future of higher education in Canada. That is in substance the reasoning that led the Royal Commission on Dominion-Provincial Relations in 1940⁽¹⁾ and later the Royal Commission on National Development in the Arts, Letters and Sciences⁽²⁾ in 1951 to recommend the establishment of federal programs of support for higher education. The argument of taxation and spending power embraces the many economic reasons advanced to justify federal funding of higher education in Canada.

2. National Interest and Common Good

The reasoning that underlies this argument is that higher education is so important today that it is too great a responsibility for the provinces. The long-term and short-term consequences of the quality of university education in each province affect the entire nation, and the central government cannot remain indifferent to its development. In a chapter on universities, the Massey Report voices this opinion:

They are local centres for education at large and patrons of every movement in aid of the arts, letters and sciences. They also serve the national cause in so

-
- (1) The Commission did not, however, contemplate the granting of heavy subsidies to universities by the federal government. The Report mentioned "a small Dominion grant to their universities made contingent on the maintenance over a period of some years of the provincial grants to the same institution and on the preservation of high academic standards. If this is the case, a relatively small Dominion annual grant divided among the provinces in rough proportion to their population for the benefit of institutions which receive help from the state might play a peculiarly useful part in our national life." Canada, Royal Commission on Dominion-Provincial Relations, Report, Vol. II: Recommendations, Ottawa, 1940, p. 52.
- (2) This Commission recommended: "That in addition to the help already being given for research and other purposes the Federal Government make annual contributions to support the work of the universities on the basis of the population of each of the provinces of Canada. That these contributions be made after consultation with the government and the universities of each province, to be distributed to each university proportionately to the student enrolment. That these contributions be sufficient to ensure that the work of the universities of Canada may be carried on in accordance with the needs of the nation." Canada, Royal Commission on National Development in the Arts, Letters and Sciences, Report, (hereafter Massey Commission Report), 1951, p. 355.

many ways, direct and indirect, that theirs must be regarded as the finest of contributions to national strength and unity.(1)

Indeed, some see a more prominent role emerging for the federal government than it now plays in post-secondary education. Clearly, national responsibility needs to be considered, for in Canada, as in all modern states, education is a right granted to all citizens regardless of where they live. The standards maintained by schools, community colleges and universities are of national interest, for scientific and technical progress and hence economic and social well-being may be heavily dependent on them. The unity of the educational system is of national interest in that it guarantees and protects Canadians' mobility and hence their freedom of choice. Last of all, the philosophy on which the educational system is based and the principles that guide its operations are of national interest, because they affect our national and cultural consciousness.

The submissions to the Macdonald Royal Commission on the Economic Union and Development Prospects for Canada pointed in the same direction. A large majority considered that post-secondary education called for the exercise of certain functions at the national level and that thus the federal government had a role to play. Many reasons were cited. Some felt that the mobility of Canada's labour force made higher education a question of national interest. Others pointed out that, because of the federal government's responsibility for economic management, it would have to play a greater role in post-secondary education and vocational training in future, because our economy will draw increasingly on extensive knowledge. The Commission agreed with these positions and "firmly believes that there is a major part for the Government of Canada to take in supporting post-secondary education and training."(2)

(1) Ibid., p. 132.

(2) Canada, Royal Commission on the Economic Union and Development Prospects for Canada, Report, (hereafter Macdonald Commission Report) Vol. 2, Ottawa, 1985, p. 741-42.

3. Jurisdiction Over Culture

Jurisdiction over culture is not assigned explicitly to any level of government by the Constitution. Indeed, until quite recently, our Constitution said nothing about culture.⁽¹⁾ The provinces are acknowledged to have clear jurisdiction over provincial cultural activities by virtue of their control over civil rights and matters of a local and private nature. In another respect, the government's cultural role is very different today from what it was in 1867, before radio, television, film and sound recording. All that was felt necessary at that time was a section on education and a reference to copyright and patent in section 91, two areas associated with culture. In 1932, Parliament assigned itself exclusive jurisdiction over radio communication. The Judicial Committee of the Privy Council viewed transmitter and receiver as an indivisible unit. The courts followed the same reasoning as regards television, which is considered a special form of radio communications.⁽²⁾

Thus because the federal government has set a precedent in asserting its leadership in the many disciplines that make up culture in general and because it has exclusive jurisdiction over what is probably the most important cultural activity in today's society, namely broadcasting, it has a definite responsibility for the intellectual and cultural development

(1) The Constitution Act, 1982 mentions cultural matters and multiculturalism in sections 40 and 27:

40. Where an amendment is made under subsection 38(1) that transfers provincial legislative powers relating to education or other cultural matters from provincial legislatures to Parliament, Canada shall provide reasonable compensation to any province to which the amendment does not apply.

27. This Charter shall be interpreted in a manner consistent with the preservation and enhancement of the multicultural heritage of Canadians.

Under Section 40, if seven provinces agree to transfer a cultural matter to the federal government and it consents, a province unwilling to make this transfer may retain its jurisdiction over the matter and receive financial compensation.

(2) Educational television is covered by agreements between Ottawa and the provinces. The federal government recognizes provincial rights over educational broadcasting. An agreement was reached in 1970. Since then, Quebec and Ontario have set up educational television services, and have broadcast from their own antennas.

of the Canadian public as a whole. This responsibility could by extension be viewed as an educational responsibility, and in the centralist view, may link the federal government to education in the narrow sense. In defining its terms of reference, the Massey Commission examined the relations between culture and education:

Culture is that part of education which enriches the mind and refines the taste. It is the development of the intelligence through the arts, letters and sciences. This development, of course, occurs in formal education. It is continued and it bears fruit during adult life largely through the instruments of general education; and general or adult education we are called upon to investigate.(1)

In addition, the central authority uses its spending power to fund art, culture, scientific research and even higher education. It has created important bodies such as the National Film Board, the National Gallery, National Museums, the Canada Council, the National Research Council, the National Library, the Public Archives and so forth.

B. The Regionalist Position

The regionalist position, in contrast, favours strict observance of section 93 of the Constitution Act, 1867 and opposes any federal intervention in education. Working on the assumption that section 93 should be interpreted broadly, it suggests that any change or broadening of the concept of education implies a corresponding expansion of provincial jurisdiction over it and cannot provide an excuse for the federal government to step in.

The regionalist position has been voiced most loudly in Quebec. We recall how Premier Duplessis refused federal grants for Quebec universities when the federal support system was first introduced in the early 1950s. Another clear statement of Quebec resistance to federal intrusion into education appears in the report of the Quebec Royal Commission of Inquiry on Constitutional Problems in 1956:

(1) Massey Commission Report, p. 7.

If there is one field in which the exclusive rights of provincial sovereignty are clearly proclaimed by the British North America Act, it is certainly that of education. We refer here not to any indirect, virtual or incidental sovereignty, nor to a subordinate or understood jurisdiction, but to a direct, formal power, conferred in a quite general and exclusive manner, except for certain reservations regarding minority rights. And yet, in this field as in all others, events are in the process of distorting constitutional law and giving the central government a major role in the field of education.(1)

As for the claim by the federal government that it must support the provinces in this crucial field where needs grow more acute every day, the report maintains that Ottawa's duty is not to take over the provinces' functions but to enable them to do without federal participation in their areas of jurisdiction.

Shortly after, Pierre Elliott Trudeau severely criticized federal grants to universities in an article published in Cité libre in February 1957.(2) Analyzing one by one the various reasons advanced for making these grants (equalization, macro-economic stabilization, joint jurisdiction over universities, auxiliary powers, spending power and university poverty) he denounced each as false, ill-timed, unfounded or illegal; he concluded by asserting that these grant programs were incompatible with harmonious federalism and that federal gifts should be mistrusted.

More recently, in a report submitted to the Association of Universities and Colleges of Canada(3) which deals, among other topics, with funding of higher education and research, Peter Leslie stated the conviction that most Canadians want the provinces to hold primary responsibility for education and want federal intervention in university affairs to complement and comply scrupulously with provincial policy. He emphasized that "any federal government action affecting universities

(1) Quebec, Royal Commission of Inquiry on Constitutional Problems, Report, Vol. II, 1956, p. 225.

(2) Pierre Elliott Trudeau, "Federal Grants to Universities," Federalism and the French Canadians, Macmillan, Toronto, 1968, p. 79-102.

(3) Peter M. Leslie, Canadian Universities: 1980 and Beyond. Enrolment, Structural Change and Finance, AUCC, Ottawa, September 1980, p. 369.

must respect the primary responsibility of the provinces in all matters to do with education. The role of the federal government must not be to substitute for provincial action but to supplement and support it."(1)

FEDERAL ACTIVITIES AND INITIATIVES IN EDUCATION

Since Confederation, several events have led the federal government to make itself felt in the field of education: industrialization at the turn of the century, the First World War, the Depression, the Second World War and the rapid expansion of our instructional systems at all levels that followed the post-war baby boom. These dynamic forces affecting the entire country called for a nation-wide reaction not only to alleviate the economic and social pressures exerted on the Canadian educational system but also to ensure the fairest possible distribution of education to every region. The federal reaction generally took the form of financial aid. Several activities that received financial support year by year, such as technical and vocational training, research, and post-secondary student aid designed to uphold the principles of access to higher education, mobility within the country, and official languages teaching, came to be acknowledged as legitimate concerns of the federal government.

Table 3 on p. 30 shows federal expenditures and transfers for education budgeted for the 1985-86 fiscal year.

A. Indirect Intervention

In this category may be included direct and indirect aid to universities, student assistance and aid to the provinces for official languages instruction.

1. Direct Aid to Universities

Federal initiatives of this type were in the form of assistance programs set up right after the Second World War on the basis of

(1) Ibid.

the number of veterans enrolled. The Veterans Rehabilitation Act, 1945, marked the federal government's first payment of direct financial assistance to universities. In 1946-47, veterans made up nearly half of all students registered in universities. At the urgent request of the national Conference of Canadian Universities, institutions received \$150 for each veteran enrolled. Between 1945 and 1950, more than 50,000 veterans were enabled to attend universities.(1)

When the Massey Commission on National Development in the Arts, Letters and Sciences was set up in 1949, many veterans had graduated. By the time the Commission issued its report in 1951, most veterans had completed their studies, thus depriving universities of their federal grants. Yet the universities needed to maintain their new capacity because the number of civilian students kept increasing. In light of this, the Massey Commission recommended that the Government of Canada pay direct grants to universities, set up a national bursary program and establish a council to encourage the arts and humanities.

In the 1951-52 academic year, the Government of Canada introduced a program of grants to universities at a rate of fifty cents for each inhabitant of the province. This system initially led to federal subsidies in the order of five million dollars per year, which by 1966-67 had risen to twenty-seven million dollars per year as the per capita rate rose to five dollars.(2) This program was accompanied by a system of conditional payments to universities broken off in 1962, but which provided 4.8 million dollars per year at first and 35 million in its final year.(3)

The per capita grant system soon aroused a major constitutional debate in Quebec which led to the adoption of a special aid

(1) Canada, Secretary of State, Federal and Provincial Support to Post-Secondary Education in Canada. A Report to Parliament, 1984-85. Ottawa, Minister of Supply and Services Canada, 1985, p. 3.

(2) Canada, Secretary of State, Support to Education by the Government of Canada, Ottawa, 1984, p. 10.

(3) Thérèse Giroux-Masse, "La Constitution canadienne et l'éducation dans une société moderne," Thémis 3, 1970, p. 375.

system for that province in 1961. The new arrangement provided for an additional tax rebate of 1% on corporate taxes in the province to offset the loss of direct aid to Quebec.

Per capita grants continued in the other provinces until 1966, when a tax rebate system ended direct federal assistance to universities.

Thus, since 1966-67, federal contributions to post-secondary education have been paid directly to provincial governments in all cases. The base of payment was broadened to encompass all levels of post-secondary education so as to put the provinces' school systems on a more equal footing. Federal contributions were calculated on the basis of the operating expenses of post-secondary institutions (actually amounting to 50% of these expenses),⁽¹⁾ and fiscal transfers (in cash grants and tax points) were made to the provinces. In 1972, a few changes were made in calculating the tax component: while the 50% formula and progressive allowances per inhabitant were maintained, the maximum national rate of increase of the federal contribution was fixed at 15%.

The Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, passed in 1977 to deal with EPF, modified the principle of federal financial assistance to post-secondary education, (as well as hospital insurance and medicare). Instead of variable grants based on teaching institutions' expenses, the provincial governments were to receive comprehensive funding calculated according to the number of inhabitants in the province and paid in cash grants and transfer of tax points. Federal moneys swelled the provincial treasuries in the name of post-secondary education but were no longer tied to the amount actually paid to universities and colleges by the provinces. Thus the provinces were not asked to make any specific financial contribution in the field of post-secondary education as a condition for federal aid. Moreover, annual increases were based on the growth of the population and gross national

(1) Three provinces, Newfoundland, Prince Edward Island and New Brunswick, instead of receiving 50% of post-secondary institutions' operating costs received a fixed amount per inhabitant that rose each year with the rate of increase of operating expenses of post-secondary institutions throughout Canada. See Johnson (1985), p. 13.

product rather than the operating costs of post-secondary institutions. In 1984-85, the federal per capita contribution to the provinces under the established programs financing amounted to \$167.91. It is a far cry from here to the modest 50 cents per capita in the early 1950s under the system of direct grants to universities.

In point of fact, the proportion of the GNP allocated by governments to the core operations of Canadian universities and colleges has fallen steadily since 1977-78, when the new legislation was passed declining from 1.35% that year to only 1.24% in 1984-85.⁽¹⁾ At the same time, enrolment rose by 27% in universities and 31% in colleges from 1977-78 to 1984-85. In contrast, over the same period, government support to core operations increased by 2.5% in real terms.⁽²⁾ Expenditures per student also declined in constant dollars.⁽³⁾ Furthermore, provincial operating grants to universities and colleges grew more slowly than the GNP between 1977 and 1982, averaging 11%; in the two years when the "six and five" policy was in effect, they rose by 5 and 4%.⁽⁴⁾ Yet federal fiscal transfers to the provinces for post-secondary education increased at first at the same rate as the GNP (roughly 13% annually from 1977 to 1982) and then were held at 6% in 1983-84 and 5% in 1984-85.⁽⁵⁾ The discrepancy between these two curves - that of fiscal transfers by the federal government to the provinces and that of provincial grants - shows that federal increases are neutralized in a way by the provinces' reduction of their allocations.

Table 1 shows fiscal transfers (established programs financing - post-secondary education) and provincial operating grants to universities and colleges for two benchmark academic years, 1977-78 and 1984-85, and demonstrates the difference in percentage between changes in the first and second.

(1) Ibid., p. 2.

(2) Ibid.

(3) Macdonald Commission Report, p. 742.

(4) Johnson (1985) p. 3.

(5) Ibid.

Table 1

Fiscal Transfers (Established Program Financing - Post-Secondary Education)
and Provincial Operating Grants to Universities and Colleges

	Provincial operating grants (\$ thousands)			Fiscal transfers (\$ thousands)		
	1977-1978	1984-1985	% inc.	1977-1978	1984-1985	% inc.
Newfoundland	54,269	91,033	67.74	45,187	97,304	115.33
Prince Edward Island	9,100	19,686	116.32	9,240	21,039	129.96
Nova Scotia	79,643	159,541	100.32	69,690	146,065	109.59
New Brunswick	56,395	117,695	108.00	55,311	119,770	116.53
Quebec	995,375	1,884,006	89.27	558,805	1,099,642	96.78
Ontario	970,291	1,691,185	74.29	715,586	1,500,679	109.71
Manitoba	109,778	172,473	57.11	88,198	177,397	101.13
Saskatchewan	94,699	187,019	98.54	77,279	168,951	118.62
Alberta	257,568	539,509	109.46	164,630	394,387	139.55
British Columbia	255,714	462,269	80.77	201,789	482,036	138.88
TOTAL	2,882,832	5,284,417	83.30	1,985,715	4,207,270	111.88

Source: Johnson (1985), p. 14.

On average, dollar payments and tax point transfers intended for post-secondary education represented 70% of the operating grants given by the provincial government to universities and colleges in 1977-78 and 80 % in 1984-85. In five provinces, Newfoundland, Prince Edward Island, New Brunswick, Manitoba and British Columbia, the federal transfer for post-secondary education was actually higher than the operating grants paid by the provinces to institutions. This state of affairs prompted accusations that provincial governments were diverting substantial sums earmarked by Parliament for post-secondary education.

In 1984, Parliament passed an amendment to the Federal-Provincial Arrangements and Established Programs Financing Act of 1977. The Act put forward three methods of determining the proportion of fiscal transfers allocated for post-secondary teaching. First, it stipulated the share of tax transfers to be assigned to post-secondary education as provided in the 1967 legislation (payment in dollars). Second, the increase in fiscal transfers was reduced for two years, 1983 and 1984, while the "six and five" policy was in force. Third, the Secretary of State was to table in Parliament, beginning in 1986, a report on federal government and provincial support for post-secondary education. This report was to include the results of any consultations between the Secretary of State and the Canadian Council of Ministers of Education on determining national objectives for post-secondary education and steps to be taken by the federal and provincial governments to meet these objectives. On 5 February 1986 the government tabled in the House the first report on federal and provincial support to post-secondary education in Canada under the amendment to the Federal-Provincial Arrangements and Established Programs Financing Act of 1977 adopted in 1984.⁽¹⁾

The amendments to the Act still did not, however, contain any provision or stimulant to encourage the provinces to pass on all fiscal transfers intact to post-secondary education. According to A.W. Johnson, Special Advisor to the Secretary of State on the Financing of Post-Secondary

(1) For a summary of that report, see mini-review 86-8E "Federal and Provincial Support to Post-Secondary Education in Canada: Highlights of the Report to Parliament, 1984-1985," Research Branch, Library of Parliament, Ottawa, 21 February 1986.

Education, that is the most serious weakness of the 1977 arrangements for funding established programs. He fears that at a time when expenditures are being cut more and more severely, the current arrangements are highly exposed to budget cuts. This would prevent them from achieving the national goals at which they were aimed.

To make good the deficiencies in the current arrangements for federal funding of post-secondary education and research, Mr. Johnson proposed four separate but complementary measures:(1)

- Core financing. The Government of Canada should reaffirm its position that the share of the GNP devoted to the financing of post-secondary education should not be allowed to decline. It should also respect the priorities which individual provinces themselves attach to PSE financing - which is to say that the rate of growth in the federal fiscal transfers to individual provinces should be harmonized with the rate at which the provinces increase their grants to universities and colleges.
- The relative emphasis which is attached to the financing of research and excellence, as opposed to core operations, in Canada's universities and colleges. Measures should be adopted for a moderate shift in federal resources from the financing of core operations to research and excellence in the PSE system, by a moderate redirection of funds.
- Sponsored research in Canada's universities. Over a five-year period, funding by the granting councils of research in Canada's universities should be increased substantially.
- World-class centres of excellence. A blue-ribbon committee should be named by the Government of Canada, composed of representatives of the private and public and university sectors, to propose to the Government of Canada a vehicle, or vehicles, for the funding of a select number of world-class centres of excellence in Canada.

For its part, the Royal Commission on the Economic Union and Development Prospects for Canada considered that "The federal government should terminate the PSE-cash portion of its EPF grants to the provinces, replacing it with an education-expense tax credit or grant."(2) The

(1) Johnson (1985), p. 25-26.

(2) Macdonald Commission Report 1985, p. 765.

commissioners also felt that part of the current grants for established programs should be reallocated to granting councils such as the Medical Research Council, the Natural Sciences and Engineering Research Council and the Social Sciences and Humanities Research Council.

In his May 1985 budget speech, the Minister of Finance announced that the federal government would reduce transfers to the provinces for equalization and established programs financing by about two billion dollars before the end of the decade. The purpose of this was to cut government expenditures in a balanced fashion and distribute the cut fairly. The Minister assured the provinces that federal transfers would not decrease in absolute terms. Thus even after this adjustment, federal transfers to the provinces will increase appreciably in the closing years of the decade. "In 1990-91, they would represent about the same share of total program expenditures as they do today."⁽¹⁾ This reduction was planned to begin in the 1987-88 fiscal year. Last fall, however, the government announced that as of the coming fiscal year, it was restricting the growth of direct transfers to the provinces for health and education to 5%. This decision arouses great discontent among the provinces because it implies a shortfall that they must make up immediately if they are to preserve the same quality and quantity of services in these sectors. Yet, in defence of the federal government, it must be said that in recent years the provinces have not increased their own expenditures in these sectors at a rate comparable to that of the central government.

2. Student Assistance

In 1964, the federal government launched the Canada Student Loans Program (CSLP) to aid students who need help to pursue full-time post-secondary studies and promote geographic mobility in selecting an educational institution. The program gives financial assistance in the form of loans to students who can prove they do not have sufficient resources to pursue post-secondary studies. It replaces the Dominion-provincial student assistance program set up in 1939 under the Youth Training Act; under this program, Ottawa paid a financial contribution to each participating

(1) Canada, House of Commons, Debates, May 23, 1985, p. 5020.

province, which matched this with its own money. All the provinces took part in this program, but in 1954 Quebec decided to withdraw and run its own student loan system.

Under the new program, students apply to their provincial government, which studies their case in the light of criteria agreed upon by both levels of government.⁽¹⁾ They then negotiate loans, guaranteed by the federal government, from banks and other financial institutions designated by the Secretary of State. The interest on these loans is paid by the government while the applicant is a full-time student and for six months after; then the student must arrange with the lending institution to repay the debt.

In 1983, the Student Loans Act was amended to provide for a higher ceiling (raised from \$56.25 to \$100 per week),⁽²⁾ loans to part-time students who needed them, exemption from interest for unemployed borrowers and forgiveness of debt for the permanently disabled. In addition, several federal departments and agencies help students carry on studies in areas relating to their departmental objectives, by awarding scholarships, fellowships and research grants in various forms.⁽³⁾ These may cover living, tuition, travel or research expenses.

As Table 2 shows, over the years a growing number of students requiring financial aid for post-secondary studies have used the CSLP. The

-
- (1) The provincial governments assume a large share of the administrative duties associated with this program, including determining whether students qualify, assessing their financial needs, determining their status as residents of the province and accrediting educational institutions for the program. Over the years, the provinces have also set up their own student assistance programs, which for the most part are different from one another and combine federal loans with other components. Quebec administers its own loan and grant program and receives compensatory payments from the Government of Canada.
 - (2) This weekly allowance was later increased from \$100 to \$105 for full time students, as from August 1, 1984. Canada, Secretary of State, 1985-86 Estimates, Part III-Expenditure Plan, p. 4-11.
 - (3) A brochure published each year by the Secretary of State, Guide to Federal Sources of Financial Aid for Canadian Post-Secondary Students. Lists aid programs, eligibility criteria and amounts.

Table 2

CSLP Loans Negotiated since 1964

<u>Loan year</u>	<u>CSLP loans negotiated</u>	<u>Average loan per student \$</u>
1964-1965	39,248	655
1965-1966	48,029	721
1966-1967	59,309	682
1967-1968	84,419	678
1968-1969	100,110	638
1969-1970	113,574	688
1970-1971	127,024	678
1971-1972	120,147	728
1972-1973	113,760	899
1973-1974	117,452	926
1974-1975	130,996	924
1975-1976	142,735	1,040
1976-1977	140,748	1,143
1977-1978	114,675	1,174
1978-1979	122,305	1,209
1979-1980	141,827	1,205
1980-1981	152,082	1,263
1981-1982	161,563	1,443
1982-1983	200,737	1,635
1983-1984	249,715	2,319
1984-1985	230,392 (budgeted)	

Source: Secretary of State, 1985-86 Estimates, Part III, p. 4-16.

value of loans per student has nearly quadrupled over 20 years. Over one-third of students enrolled full-time in post-secondary institutions benefit from this program.

For the 1984-85 fiscal year, \$229 million was budgeted for the Student Loans Program. For 1985-86, \$269.9 million was budgeted.

Several suggestions have recently been made for improving the CSLP. A.W. Johnson suggested tying loan repayment to students' income after they enter the job market, rather than following the present fixed schedule.⁽¹⁾ The Macdonald Commission recommended "that loan limits be changed ... to remove any financial barriers that might exclude otherwise-qualified low-income students."⁽²⁾ It also suggested

(1) Johnson (1985), p. 15.

(2) Macdonald Commission Report, p. 765.

considering only the student's income, and not that of the parents, for repayment of the loan.

T. H. B. Symons and James E. Page, in volume 3 of the report of the Commission on Canadian Studies, entitled "Some Questions of Balance: Human Resources, Higher Education and Canadian Studies," recommended that "the proposed comprehensive, nation-wide post-secondary student assistance programme be in the form of a National Post-secondary Educational Opportunities Programme, initiated and funded by the government of Canada following appropriate consultations with the provinces and with the universities and colleges; that, initially, the Programme bring under one umbrella the various student loan and grant programmes of the federal government, increase the present loan limits under the Canada Student Loan Plan, and add to the Plan a provision for federal grants to students; that the Programme be planned and administered in association with the several provincial student aid plans."⁽¹⁾

3. Official Languages in Education

With the agreement of the provinces, the federal government has since 1970 funded two types of programs relating to official languages in education: programs designed to support education in the minority official language and programs to support teaching of the second official language. This initiative stemmed from a recommendation by the Royal Commission of Inquiry into Bilingualism and Biculturalism in its report tabled in 1967; the recommendation prompted the provincial governments to diversify and expand their education programs in the minority official language and their second official language teaching programs. To absorb the additional costs of these programs, they were to receive financial assistance from the federal government.

A great many students benefit from the second official language training programs. In 1984-85, for example, enrolment in second

(1) T.H. B. Symons and James E. Page, "Some Questions of Balance: Human Resources, Higher Education and Canadian Studies", Vol. 3 of To Know Ourselves, Commission on Canadian Studies, AUCC, Ottawa, 1984, p. 130.

language programs in the public schools of all the provinces totalled 1,195,375 at the elementary level or 47% of total enrolment and 907,960 at the secondary level or 51.6% of enrolment. Time spent studying the second language ranged from an average of 9.5% in elementary schools to 13.8% in secondary schools. Immersion programs drew 149,408 students in all provinces and territories. In the same year, enrolment in minority official language programs totalled 271,887 (149,887 French-speaking minority children and 122,000 English-speaking minority children).⁽¹⁾

The minority language education programs help the provinces and territories offer their official language minorities an opportunity to study in their own language at the primary, secondary and post-secondary levels. The programs of teaching English and French as second languages enable all Canadians to learn one of the official languages as a second language at all levels of the school system.

Under the first and second sets of agreements with the provincial governments, (1970-71 to 1973-74 and 1974-75 to 1978-79) this financial assistance was given in "formula" payments calculated from enrolment and average cost of education in the province. Also a certain number of non-formula programs supported special provincial projects and initiatives such as language training centres and institutions for minority official language teachers, teacher fellowships and so forth. These agreements with the provincial governments expired March 31, 1979. Thereafter the Canadian government continued its financial support from 1979 to 1983 under a series of one-year temporary agreements, aimed at essentially the same objectives as before but containing guarantees that expenditures would not exceed budget.

In 1983, new bilateral agreements covering three years were concluded between the federal government and each province and territory. These provided that aid would be supplied under four major categories of program expenditures: infrastructure, program expansion and development, teacher training and development and student support. These new agreements also entail two national programs: summer language bursaries and official language monitors. The provinces may choose between two funding formulae.

(1) Canada, Commissioner of Official Languages, Annual Report 1984, Ottawa, p. 242-248.

Under the first, they receive infrastructure funding for each student for which they must account every year to the Canadian government as additional expenses and also a supplementary contribution for special activities and projects approved by both levels of government. Such projects might be setting up language training centres and teacher training institutions and granting awards to teachers and students. Under the second formula, both parties agree jointly on how the total sum will be distributed.

In 1983-84, payments to the provinces and territories amounted to 193.7 million dollars; the budgets for 1984-85 and 1985-86 were 207.2 million and 212.1 million dollars.⁽¹⁾

A further responsibility incumbent on the federal government under the Official Languages Act and the Constitution Act, 1982 is to guarantee institutional bilingualism in the federal administration. Subsection 20(1) of the Charter of Rights and Freedoms states:

Any member of the public in Canada has the right to communicate with and to receive available services from any head or central office of an institution of the Parliament or government of Canada in English or French, and has the same right with respect to any other office of any such institution where

(a) there is a significant demand for communications with and services from that office in such language; or

(b) due to the nature of the office, it is reasonable that communications with and services from that office be available in both English and French.

To meet this requirement for institutional bilingualism in the federal Public Service, the government has for 20 years provided language training to public servants who do not meet the language requirements of their positions. Tens of thousands of public servants have thus enrolled at public expense in language training programs to acquire competence in the other official language.⁽²⁾ This training has

(1) Secretary of State, 1985-86 Estimates, p. 3-22.

(2) From 1966 to the end of 1982, language training enrolment totalled 77,668, including 61,878 in French courses and 15,790 in English courses. See the answer to a question by Dan McKenzie, MP regarding the language training program, Canada, House of Commons, Debates, March 1, 1983, p. 23338.

involved considerable expense. From 1964 to 1982, for example, the costs of language training provided by the Public Service Commission amounted to \$354 million.⁽¹⁾ For the 1983-84 fiscal year these expenses were \$33.6 million, while forecasts for 1984-85 and 1985-86 were \$36.5 million and \$37.3 million.⁽²⁾

B. Financial Aid for Vocational and Technical Training and Research

1. Vocational and Technical Training

To meet the need for skilled manpower as part of its national economic policy the federal government introduced vocational and technical training programs as early as the turn of the century. The recommendations of the Royal Commission of Inquiry into Industrial and Technical Training, created in 1910, led to the passing of the Agricultural Aid Act in 1912 and the Agricultural Instruction Act, 1913. The former provided for grants to the provinces to promote agricultural training and technology, while the latter provided direct grants to the three existing veterinary schools and indirect assistance (through the intermediary of the provinces) to agricultural colleges.

In 1919, the federal government in consultation with the provinces introduced the Technical Education Act, under which it undertook to spend ten million dollars over ten years to improve vocational, technical and industrial training in Canada within the envelopes of the amounts spent yearly by each provincial government on technical training. Toward the end of the 1920s, as the provinces saw this Act approaching its term, they asked the federal government to continue its assistance. Another royal commission was then instructed to study technical and vocational services. Its report led to the passing of the Vocational Education Act in 1931, although this was never promulgated because of the Depression. This Act provided for the continuance of the programs set up under the 1919 Act.

(1) Ibid.

(2) Canada, Public Service Commission, 1985-86 Estimates, Part III Expenditure Plan, Ottawa, p. 42.

The Depression of the thirties revealed a serious deficiency in secondary education. On graduating, many students found that their training failed to correspond to the requirements of the marketplace. To alleviate this problem, the federal government in 1937 introduced a new program to promote technical training under the Unemployment and Agricultural Assistance Act. This Act, designed to encourage young people to improve their prospects of finding a job, was negotiated with the provinces on the basis of cost-sharing of various occupational training projects.

In 1939, Parliament passed the Youth Training Act, a statute by which the federal government undertook to pay \$4.5 million to the provinces over the next three years to train young people between 16 and 30 at the secondary level.

During the War, in 1942, existing federal-provincial agreements on vocational training were consolidated in the Vocational Training Co-ordination Act. This provided for the establishment of an Advisory Council on Vocational Training, consisting of representatives of the federal and provincial governments and the general public. It also provided vocational training for veterans.

In the late 1950s, the need to develop manpower training facilities in Canada, which lacked skilled labour, became more pressing. The Technical and Vocational Training Assistance Act of 1960 was one of the federal government's major initiatives aimed at overcoming the lack of qualified manpower in the country. This Act enabled the federal government to allocate large sums to construction projects and a wide range of other programs, from technical and vocational courses in secondary schools to teacher training in these disciplines. The new technical and vocational training assistance program, under which the provinces paid 25% of capital costs, contributed greatly to the rapid growth of non-university post-secondary education in the 1960s. From 1961 to 1968, for example, 1,128 construction projects were approved, representing expenditures in the order of \$917 million for the federal government. A total of 668 new

schools were built while 440 expansion or modernization projects were carried out.⁽¹⁾

In 1967, the Technical and Vocational Training Assistance Act was replaced by the Adult Occupational Training Act, under which the new federal Minister of Manpower and Immigration engaged the services required to develop and retrain adult workers in educational institutions. This initiative marked the end of cost-sharing for technical and vocational training between the federal government and the provinces and the assumption by Ottawa of responsibility for developing and retraining adult workers.

Finally, in 1982, Parliament passed the National Training Act, which laid the legislative framework for federal assistance to manpower training and human resources development. The purpose of the Act as defined in section 3 is "to establish a national program to provide occupational training for the labour force and thereby to better meet the need for skills created by a changing economy and to increase the earning and employment potential of individual workers."⁽²⁾ Under this Act, the Canada Employment and Immigration Commission (CEIC) administers adult vocational training programs and funds training and development for workers needed by the country in many disciplines.

There are three main components to vocational training: the national institutional training program, the general industrial training program and the skills growth fund. Institutional training provides occupational training to those studying in provincial and private educational institutions. The Commission pays tuition and gives financial aid to trainees while at school. The bulk of training provided under this program is divided between two activities: vocational training, which includes pre-employment courses that give trainees the skills they need to enter a given occupation or courses for those wishing to develop or update their knowledge; and apprenticeship training, provided in the classroom in conjunction with apprenticeship programs administered by the

(1) Canada, Parliamentary Task Force on Federal-Provincial Fiscal Arrangements, Fiscal Federalism in Canada, Ottawa, August 1981, Appendix II-D, p. 62.

(2) National Training Act, Statutes of Canada 1980-82, ch 109, section 3.

provincial governments. In 1984-85, 216,846 people took institutional training, which cost the federal government \$512 million in course fees. The income support paid to trainees cost \$118 million in training allowances and \$217 million in unemployment insurance benefits.⁽¹⁾ For the 1985-86 fiscal year, \$898 million is budgeted for institutional training.⁽²⁾

The general industrial training program provides financial assistance to employers who offer training. The Commission negotiates contracts with employers or groups of employers under which they are reimbursed for part of the cost of projects developed in accordance with the program's guidelines and current training priorities. There are two parts to the program: for the first, general industrial training, the federal government gives employers financial support for a maximum of one year; for the second, critical trade skills training, assistance may be provided for up to two years because the trades in question require much longer training. In 1984-85, 30,715 workers were trained under the general industrial training plan at a cost of \$85 million, while 11,891 workers were trained at a cost of \$71 million under the critical trade skills training plan.⁽³⁾ The budget for fiscal year 1985-86 for general industrial training is \$67 million, and for critical trade skills training \$103 million.⁽⁴⁾

The skills growth fund is aimed primarily at increasing the training capacity in trades that lack manpower. The fund contributes to the construction, renovation, expansion or modernization of facilities and to the preparation of teaching material and development of teaching techniques. In 1984-85, 78 projects were approved for financing from the fund, leading to expenditures of \$44 million.⁽⁵⁾

(1) Canada, Employment and Immigration, Annual Report, 1984-85, Ottawa, p. 22.

(2) Canada, Employment and Immigration Canada, 1985-86 Estimates, Part III-Expenditure Plan, p. 3-39.

(3) Employment and Immigration, Annual Report, 1984-85, p. 22.

(4) Employment and Immigration, 1985-86 Estimates, p. 3-39.

(5) Employment and Immigration, Annual Report, 1984-85, p. 21.

The system established in 1982 by the National Training Act and the federal-provincial agreements arising out of it was judged adequate by the Macdonald Commission, which did not recommend any change in its direction.⁽¹⁾

2. Research

The first major government initiative in scientific research dates back to 1842, when the Government of Canada set up a geological studies service. After 1867, the federal government carried this initiative further by setting up the Dominion Experimental Farms in 1886. In 1916, as part of the war effort and in order to promote research and development, the federal government founded the Canadian National Research Council (CNRC). Its original function was to coordinate government research work, but very soon it gave priority to training researchers by awarding graduate fellowships and grants to university students actively engaged in research. During the Second World War, it played a vital role in coordinating and pursuing scientific research.

In 1946, an amendment to the legislation establishing the Council enabled it to set up independent agencies, notably the Defence Research Council (1947) and the Medical Research Council (1960), in order to delegate to them and to other government agencies the more specialized research it had formerly carried out itself.

The Massey Commission on National Development in the Arts, Letters and Sciences recommended in its 1951 report that the federal government continue to fund the National Research Council's program. In disciplines other than the natural sciences, the Commission advocated the creation of the Canada Council, on condition that the federal government pay it an annual grant to enable it to provide a sufficient number of awards to graduate students in the humanities in Canadian universities. Founded in 1957, the Canada Council set up a huge program of fellowships in the arts and the humanities. In 1978, the responsibilities of the NRC and Canada Council for supporting university research were entrusted to two new bodies, the Social Sciences and Humanities Research Council and the Natural Sciences

(1) Macdonald Commission Report, Vol. 2, p. 760.

and Engineering Research Council. At the same time, the Medical Research Council was given a broader mandate.⁽¹⁾

These three councils pay out roughly 80% of federal aid to university research in the form of grants and contributions.⁽²⁾ Their task is to promote the advancement of knowledge through research and the university training of people highly specialized in the fields of health sciences, natural sciences and engineering, and the humanities. Two councils have a special interest in the application of scientific and technological discoveries, NSERC to industry, with a view to economic development, and the MRC to health care and the training of health professionals.

For the 1984-85 fiscal year, grants and fellowships awarded by the SSHRC to Canadian scholars to promote and maintain research and learning and foster excellence in the humanities amounted to \$56.8 million.⁽³⁾ For the same year, grants and fellowships awarded by the Medical Research Council to Canadian researchers to promote and maintain applied and clinical research in the health sciences and foster manpower training and development, amounted to \$153 million.⁽⁴⁾ For the same period, the grants and fellowships awarded by the Natural Sciences and Engineering Research Council, to promote and support the development and maintenance of research and train highly qualified manpower in the field of natural sciences and engineering, totalled \$300 million.⁽⁵⁾

(1) Government Organization (Scientific Activities) Act, 1976, Statutes of Canada, 1976-77, c 24.

(2) For the year 1984-85, the three research granting councils contributed \$426 million to support research in universities. Other departments and agencies, i.e. National Research Council, Health and Welfare Canada, Secretary of State of Canada, Agriculture Canada, Energy, Mines and Resources, Environment Canada and National Defence, contributed \$97 million.

See Department of the Secretary of State of Canada Federal and Provincial Support to Post-Secondary Education in Canada, A Report to Parliament 1984-85, p. 20.

(3) SSHRC, Annual Report 1984-85, p. 22.

(4) MRC, Report of the President 1984/85, p. 20.

(5) NSERC, Report of the President, 1984-85, p. 4.

In his report on funding of post-secondary education, A.W. Johnson recommends that the federal government take the necessary steps over a five-year period to increase substantially the funds awarded by the granting councils to research in Canadian universities. He feels that governments in Canada do not give due priority to research, although it is generally recognized that research and technology are not only aspects of economic growth but driving forces behind it. Thus it would be a very good thing if allocations to research grew faster than the GNP. In fact, Johnson notes, this is what has been happening. Over the seven-year period ending in 1984-85, such council grants to Canadian universities for sponsored research increased on average at a rate of 1.5 times the rate of growth of the GNP.⁽¹⁾ But the Canadian government has not made a clear commitment to increase funding at this rate - or at some other multiple of the rate of growth of the GNP.

Johnson also notes an imbalance between the financing of core operations of universities and the financing of research; the latter amounts to only one-tenth of the former. He recommends a gradual realignment of priorities, beginning with a substantial increase in the funds allocated to the granting councils. The next step is to develop a new five-year plan for funding these councils which would provide that the funds allocated to them for grants would increase faster than the GNP. He estimates the funds for this, \$500 million in 1986-87, could come from two sources. "The first would be a redirection of \$250 million from the financing of PSE core operations, which would be accomplished by a single reduction in the "base amount" of the PSE transfers of 1986-87 ... This redirection of funds, amounting to 5% of the total fiscal transfers for PSE core operations, would be returned to the provinces... in the form of research grants to the universities. The second source of funds, for the financing of these recommendations, would be the increases in appropriations to which the government is committed for the realization of its R and D objectives."⁽²⁾

(1) Johnson (1985), p. 19.

(2) Ibid., p. 29.

Table 3

Federal Expenditures and Transfers for Education
1985-86 Estimates

Main Expenditures by Department, Agency or Program	(\$ thousands)
EPF transfers to provinces	
Fiscal transfers	2,252,440
Cash transfers	2,276,575
Subtotal	4,529,015
Official languages in education	212,126
Public Service Commission (language training)	37,337
Student assistance	
Canada Student Loans Program	269,946
Research	
Natural Sciences and Engineering	
Research Council	284,690
Medical Research Council	127,086
Social Sciences and Humanities Research Council	54,624
Vocational training (Employment and Immigration Canada)	
Institutional training	898,206
General industrial training	67,169
Critical trade skills training	103,008
Skill growth fund	8,145
Department of Indian and Northern Affairs	
Primary and secondary education	390,144
Post-secondary studies	59,169
Department of National Defence	
Education of dependants	63,430
Canadian military colleges	80,400
Transport Canada	
Canadian Coast Guard College (Sydney, N.S.)	17,300
Solicitor-General Canada	
Correctional service (education and training)	28,131
TOTAL	7,229,928

C. Federal Presence and Activities in the Cultural Field

As mentioned earlier, the two levels of government share jurisdiction over culture, a field which encompasses a host of activities such as heritage conservation, the visual arts, the performing arts, literature, publishing and broadcasting. The federal government now holds a prominent place in exercising this constitutional authority. Its interest in cultural and artistic activities goes back several decades, and several royal commissions of inquiry under the aegis of the federal government have explored the country's needs in these fields.

The first important institution to be founded was the National Gallery of Canada, created in 1880 to cultivate a taste for the fine arts among Canadians. Other institutions, including the National Museums of Canada and the War Museum, also over a century old, were intended to promote particular cultural disciplines such as natural history, botany and military history. The federal government has constantly encouraged all the artistic disciplines, including music, painting and the preservation of valuable artifacts, by means of direct involvement, through public institutions such as the National Gallery and through support to all sorts of private galleries and museums.⁽¹⁾

The range of federal cultural activities naturally expanded with the advent of new techniques able to promote this aspect of Canadian life. That is why federal legislative authority took root in the crucial field of broadcasting as soon as it materialized, and this authority was confirmed by decision of the Privy Council in 1932. Moreover, the federal government was not content merely to regulate this field but founded the Canadian Broadcasting Corporation in 1936 to operate the national broadcasting service that plays a most prominent role today in the development of Canadian socio-cultural life. We note also that the CBC's educational role is always in evidence, whether in school broadcasts, programs specially designed for young people or its inestimable contribution to adult cultural

(1) Since 1968, museums have been administered by National Museums of Canada. There are four main museums: the National Gallery, the National Museum of Man, the National Museum of Natural Sciences and the National Museum of Science and Technology. The Canadian War Museum comes under the Museum of Man and the National Aviation Museum comes under the Museum of Science and Technology.

life. The federal government also has exclusive jurisdiction over an activity crucial to the country's cultural policy, regulation of broadcasting and telecommunications, a task performed by the Canadian Radio-Television and Telecommunications Commission.

The federal government also established itself firmly in the area of film by founding the National Film Board in 1950 with the primary aims of initiating and promoting the production and distribution of films "designed to interpret Canada to Canadians and to other nations."⁽¹⁾ Initially it concentrated on shorts, documentaries and animated films that enabled the NFB gradually to carve out an enviable international reputation. "The NFB has been a world pioneer in developing such film and video techniques as three-dimensional film, the use of hand-held cameras, synthetic and stereophonic sound, sound synchronization techniques, and a variety of animation techniques."⁽²⁾ Federal involvement in film took a further step with the creation in 1968 of the Canadian Film Development Corporation, whose function is to help finance independent film-making in Canada.

In addition, to coordinate its programs designed to support artists, agencies, scholars, universities and intellectuals working in the arts and humanities, the federal government founded the Canada Council in 1957. This independent body reports annually to Parliament. Its founding was a very important step in marking out this area of jurisdiction for the federal government. Since then the federal presence in this vast field of activity has been at least as clearly felt as that of the provinces, which bear similar responsibility at the local level. Since its beginnings the Council has expanded greatly along with the arts it fosters. As catalyst and support agency, the Council has played its part well.

Although the federal government does not have an actual department of cultural affairs, a unit of the Department of Communications, Cultural Policy and Programs, has the task of developing national

(1) National Film Act, Statutes of Canada, 1950, c 44, s 9.

(2) Canada, Department of Communications, Federal Cultural Policy Review Committee, Report, Ottawa, 1982, p. 256.

cultural policy, and is also responsible for coordinating the cultural activities and programs sponsored by the federal government. This is a sensitive role, however, because several other departments (External Affairs, Indian and Northern Affairs, Environment [National Parks, Historic Sites and Monuments] and Secretary of State) also engage in cultural activities; moreover, most Crown corporations and agencies established for cultural purposes are controlled by a board of directors so that only a modest role is left for the minister.

What is the dollar value of the federal government's cultural envelope? Excluding the cultural activities and programs of those departments mentioned above, that are not wholly devoted to culture, we can add the budgets of all the Crown corporations and agencies that deal with culture and the amounts allocated directly to cultural affairs in the Department of Communications. Table 4 presents these amounts for the current fiscal year, 1985-86.

Table 4

1985-86 Estimates of Federal Corporations and Agencies
in the Cultural Field

<u>Corporations - agencies</u>	<u>Estimates (\$ millions)</u>
Department of Communications - Cultural Affairs	94.6
Canadian Broadcasting Corporation	846.8
National Museums	74.8
Canada Council	72
National Film Board	62.9
Canadian Film Development Corporation	65.3
National Library	32.8
Public Archives	41.8
Canadian Radio-Television and Telecommunications Commission	25.4
National Arts Centre	14.6
	<hr/>
TOTAL	1,331.0

BIBLIOGRAPHY

- Beaudoin, Gérard A., Le partage des pouvoirs, Ottawa, University of Ottawa Press, 1983.
- Canada, Department of Communications, Federal Cultural Policy Review Committee, Report, Ottawa, 1982.
- Canada, Employment and Immigration, Annual Report 1984-85.
- Canada, Employment and Immigration, 1985-86 Estimates, Part III - Expenditure Plan.
- Canada, Parliamentary Task Force on Federal-Provincial Fiscal Arrangements, Fiscal Federalism in Canada, Ottawa, 1981.
- Canada, Public Service Commission, 1985-86 Estimates, Ottawa, Part III-Expenditure Plan.
- Canada, Royal Commission on Dominion-Provincial Relations, Report, Book II, Ottawa, 1940.
- Canada, Royal Commission on the Economic Union and Development Prospects for Canada, Report, Volume 2, Ottawa, 1985.
- Canada, Royal Commission on National Development in the Arts, Letters and Sciences, Report, Ottawa, King's Printer, 1951.
- Canada, Secretary of State Department, Annual Report, 1984-85.
- Canada, Secretary of State Department, 1985-86 Estimates, Part III-Expenditure Plan.
- Canada, Secretary of State Department, Federal and Provincial Support to Post-Secondary Education in Canada. A Report to Parliament, 1984-85. Ottawa, Supply and Services Canada, 1985.
- Canada, Secretary of State Department, Guide to Federal Sources of Financial Aid for Canadian Post-Secondary Students, Ottawa, Printed annually.
- Canada, Secretary of State Department, Support to Education by the Government of Canada, Ottawa, 1984.
- Canada, Statistics Canada, "Education Spending Moderates," Education Statistics Bulletin, Vol. 6, No. 8, January 1985.
- Giroux-Masse, Thérèse, "La Constitution canadienne et l'éducation dans une société moderne," Thémis 3, 1970, p. 367-98.
- Johnson, A.W., Giving Greater Point and Purpose to the Federal Financing of Post-Secondary Education and Research in Canada, Ottawa, Secretary of State, February 1985.

Leslie, Peter M., Canadian Universities: 1980 and Beyond. Enrolment, Structural Change and Finance, Ottawa, AUCC, 1980.

Medical Research Council, 1985-86 Estimates, Part III-Expenditure Plan.

Medical Research Council, Report of the President 1984/85.

Natural Sciences and Engineering Research Council, 1985-86 Estimates, Part III-Expenditures.

Natural Sciences and Engineering Research Council, Report of the President 1984-85.

Ontario, Commission on the Future Development of the Universities of Ontario, The Universities of Ontario in 1984: Issues and Alternatives, 1984.

Ontario, Commission on Post-Secondary Education in Ontario, The Learning Society, Toronto, 1972.

Quebec, Royal Commission of Inquiry on Constitutional Problems, Report, Vol. II, 1956.

Rémillard, Gil, Le fédéralisme canadien, Tome I, "La loi constitutionnelle de 1867", Montreal, 1983.

Social Sciences and Humanities Research Council of Canada, Annual Report 1984-85.

Social Sciences and Humanities Research Council of Canada, 1985-86 Estimates, Part III-Expenditure Plan.

Symons, T.H.B. and James E. Page, "Some Questions of Balance: Human Resources, Higher Education and Canadian Studies," Vol. 3 of To Know Ourselves: The Report of the Commission on Canadian Studies, AUCC, 1984.

Trudeau, Pierre Elliott, "Federal Grants to Universities," Federalism and the French Canadians, Macmillan, Toronto, 1968.

Wilson, Michael H., The Fiscal Plan, Department of Finance, Ottawa, May 1985.

